

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

ADMIRAL INSURANCE COMPANY,	)	
ET AL.,	)	
	)	
Plaintiffs,	)	CIVIL ACTION NO.
	)	
VS.	)	3:03-CV-1634-G
	)	
HEATH HOLDINGS USA, INC.,	)	
ET AL.,	)	
	)	
Defendants.	)	

**OPINION AND ORDER**

After making an independent review of the pleadings, files, and records in this case, and the findings, conclusions, and recommendation of the United States Magistrate Judge, I am of the opinion that the findings and conclusions of the Magistrate Judge are correct and they are adopted as the findings and conclusions of the court.

It is, therefore, **ORDERED** that the findings, conclusions and recommendation of the United States Magistrate Judge are **ADOPTED** as the findings and conclusions of the court.

It is further **ORDERED** that the court finds that Associated International Insurance Co. and its attorneys have violated the provisions of Rule 11(b), and

1. Paragraphs 10 and 21 through 25 (Count III - Fraud) of Associated's first amended complaint against the Heath Defendants, filed on October 31, 2003, are **STRICKEN**;
2. Paragraph No. 27 of Associated's original answer to Heath Defendants' counterclaim filed on March 23, 2004, is **STRICKEN**; and
3. The Heath Defendants' motion for sanctions is referred back to Magistrate Judge Sanderson recommendation with respect to the other sanctions to be awarded, including but not limited to an award of reasonable attorneys' fees and other expenses.

November 30, 2005.

  
\_\_\_\_\_  
A. JOE FISH  
CHIEF JUDGE